

Message Text

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PAGE 01 STATE 090254
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TO AMEMBASSY BUDAPEST IMMEDIATE
INFO AMEMBASSY BELGRADE
AMEMBASSY BERLIN
AMEMBASSY BUCHAREST
AMEMBASSY MOSCOW
AMEMBASSY PRAGUE
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USMISSION USNATO
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E.O. 11652:N/A

TAGS: PERP, EEWT, HU, US

SUBJECT: CONGRESSIONAL CONSIDERATION OF HUNGARIAN TRADE
AGREEMENT

1. THE DOCUMENTS REQUIRED FOR CONGRESSIONAL CONSIDERATION
OF THE TRADE AGREEMENT HAVE BEEN SIGNED BY THE PRESIDENT
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PAGE 02 STATE 090254

AND TRANSMITTED TO THE CONGRESS ON APRIL 7, BEARING THAT
DATE. THE PRESIDENT'S ACTION TRIGGERS AN EXPEDITED PRO-
CESS FOR CONGRESSIONAL CONSIDERATION ESTABLISHED BY THE
TRADE ACT OF 1974.

2. TITLE IV OF THE TRADE ACT REQUIRES THE PRESIDENT TO SUB-
MIT A VARIETY OF DETERMINATIONS, REPORTS AND OTHER DOCU-

MENTS TO THE CONGRESS. THESE INCLUDE: A REPORT ON HUNGARIAN EMIGRATION PRACTICE (SECTION 402(2)); AN EXECUTIVE ORDER WAIVERING THE JACKSON-VANIK PROHIBITIONS (ALSO SECTION 402(2)); AND A DETERMINATION THAT THE WAIVER WOULD PROMOTE THE OBJECTIVES OF JACKSON-VANIK (SECTION 402(2) (A)). THE PRESIDENT ALSO TRANSMITTED THE BILATERAL TRADE AGREEMENT (SECTION 407 (A)), AND A PROCLAMATION EXTENDING MFN (SECTION 404 (A)). TEXTS OF THESE DOCUMENTS, TOGETHER WITH PRESIDENT'S COVERING TRANSMITTAL MESSAGE TO CONGRESS, WILL BE TRANSMITTED SEPARATELY TO EMBASSY BUDAPEST.

3. THE TRADE AGREEMENT AND THE PROCLAMATION EXTENDING MFN MAY BECOME EFFECTIVE AND ENTER INTO FORCE ONLY IF THE HOUSE AND THE SENATE ADOPT A CONCURRENT RESOLUTION OF APPROVAL BY AN AFFIRMATIVE VOTE OF A MAJORITY OF THOSE PRESENT AND VOTING IN EACH HOUSE (SECTION 407 (C)(1)).

4. THERE IS A "FAST-TRACK" PROCEDURE FOR CONGRESSIONAL CONSIDERATION OF THE AGREEMENT AND PROCLAMATION UNDER SECTION 151 AND 153 OF THE TRADE ACT. ON THE DAY ON WHICH THE AGREEMENT IS TRANSMITTED TO THE CONGRESS, AN APPROVAL RESOLUTION MUST BE INTRODUCED IN BOTH THE SENATE AND HOUSE (SECTION 151 (C) (2)). THIS APPROVAL RESOLUTION CANNOT BE AMENDED. THE APPROVAL RESOLUTION IS AUTOMATICALLY REFERRED TO THE WAYS AND MEANS COMMITTEE IN THE HOUSE AND THE FINANCE COMMITTEE IN THE SENATE. THE RELEVANT COMMITTEES HAVE LIMITED OFFICIAL USE

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PAGE 03 STATE 090254

MITTEE IN EACH HOUSE HAS UP TO 45 WORKING DAYS IN WHICH TO CONSIDER THE AGREEMENT; IF NOT REPORTED OUT WITHIN 45 WORKING DAYS, THE APPROVAL RESOLUTION IS AUTOMATICALLY PLACED ON THE CALENDAR FOR FLOOR ACTION. FINAL ACTION MUST BE TAKEN IN EITHER HOUSE WITHIN 15 WORKING DAYS AFTER THE RESOLUTION IS REPORTED BY A COMMITTEE, OR HAS BEEN AUTOMATICALLY BROUGHT UP AS A RESULT OF THE COMMITTEES FAILURE TO ACT.

5. THUS, CONGRESS MUST VOTE THE PROCLAMATION AND AGREEMENT EITHER UP OR DOWN WITHIN 60 CONGRESSIONAL WORKING DAYS OF THE PRESIDENT'S TRANSMITTAL. FOR PURPOSES OF CALCULATING THE NUMBER OF DAYS IN EITHER HOUSE, DAYS IN WHICH THAT HOUSE IS NOT IN SESSION ARE EXCLUDED. THUS, WE CANNOT NOW PREDICT WITH CERTAINTY HOW LONG IT WILL TAKE TO COMPLETE THE 60 DAY PERIOD IN BOTH THE HOUSE AND SENATE. IN LIGHT OF SCHEDULED RECESSES AND PROBABLE WORK WEEKS FOR THE HOUSE AND SENATE, 60 DAY PERIOD WILL NOT BE RUN IN BOTH HOUSE AND SENATE UNTIL END OF JUNE (FOR HOUSE) AND MID-JULY (FOR SENATE) AT EARLIEST. OF COURSE, EACH HOUSE CAN ACT MORE RAPIDLY THAN MAXIMUM PERIOD IF IT SO CHOOSES.

6. WE EXPECT THAT CHAIRMAN VANIK'S SUBCOMMITTEE WILL TAKE UP THE TRADE AGREEMENT FIRST, WITH HEARINGS THIS MONTH. (SOMETIME DURING WEEK OF APRIL 17 IS STILL MOST LIKELY TIMING. WE WILL ADVISE EMBASSY BUDAPEST FURTHER AS SOON AS WE KNOW MORE.) SENATE STAFF BELIEVE THAT SENATOR RIBICOFF WILL HOLD HEARINGS IN MAY, WITH REPORT TO FULL SENATE FOR FLOOR ACTION ONLY AFTER ALL HOUSE ACTION COMPLETED. IN ADDITION, THE HIRC BINGHAM AND HAMILTON SUBCOMMITTEES PLAN TO HAVE A JOINT HEARING SOMETIME THIS MONTH.

7. EMBASSY BUDAPEST SHOULD FULLY INFORM THE GOH OF THE PROCEDURES FOR CONGRESSIONAL CONSIDERATION OF THE TRADE AGREEMENT. WE ARE PROVIDING HUNGARIAN EMBASSY WITH THE FULL PACKAGE OF DOCUMENTS WHICH THE PRESIDENT TRANSMITTED TO LIMITED OFFICIAL USE

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PAGE 04 STATE 090254

THE CONGRESS. EMBASSY BUDAPEST MAY WISH TO PROVIDE GOH WITH TEXTS AS WELL. VANCE

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